

The Virginia Contractor Transaction Recovery Act became effective July 1, 1980. The Act provides relief to consumers who have incurred losses through the improper and dishonest conduct of a licensed contractor. The Recovery Fund is supported entirely by assessments paid by licensed contractors, not by any tax revenues. Filing a claim does not guarantee payment.

WHO IS ELIGIBLE TO FILE A CLAIM?

- A person who has been awarded a judgment in a court of competent jurisdiction in the Commonwealth of Virginia against a licensed contractor (“the licensee”) may be eligible to file a claim.
- The judgment must be obtained against an individual or entity that is licensed by the Board for Contractors. The judgment must be based upon the **improper or dishonest conduct*** of the licensee. A claimant cannot be denied recovery from the Fund due the fact that the judgment does not contain a specific finding of “improper or dishonest conduct.” Any language in the judgment that supports the conclusion that the court found the conduct of the licensed contractor involved improper or dishonest conduct may be used by the Board to determine eligibility for recovery from the Fund. **Please note that disciplinary action taken against the licensee by the Board for Contractors does not satisfy any statutory requirements contained in Article 2 of Chapter 11 of Title 54.1 of the *Code of Virginia*.**

* “Improper or dishonest conduct includes only the wrongful taking or conversion of money, property or other things of value which involves fraud, material misrepresentation or conduct constituting gross negligence, continued incompetence, or intentional violation of the Uniform Statewide Building Code (§ 36-97 et seq.). The term “improper or dishonest conduct” does not include mere breach of contract.”

- If the contractor has filed bankruptcy, the claimant shall file a claim with the proper bankruptcy court. If no distribution is made, the claimant may then file a claim with the Board. The Board shall determine whether the conduct that gave rise to the claim was improper and dishonest and what amount, if any, such claimant is entitled to recover from the Fund.

The contractor must have been **licensed** during the period in which the improper or dishonest conduct occurred. The contract between the consumer and the contractor must involve contracting for the consumer’s **residence located in Virginia**.

- The consumer filing the claim cannot be any of the following:
 - 1) another licensed contractor; 2) an employee, vendor, spouse or child of the contractor; 3) a financial or lending institution; or 4) anyone whose business involves the construction or development of real property.

LIMITATIONS

- A single claim against one licensee is limited to \$20,000.00.
- Multiple claims involving one contractor are limited to \$40,000.00 per biennium. If multiple claims are filed against one contractor exceed \$40,000.00, claim amounts will be prorated. If there is reason to believe there will be multiple claims involving one contractor, payment of claims may be delayed for a period not to exceed one year.
- The Fund will **not pay** interest, punitive damages, exemplary damages, or any amounts that do not constitute actual monetary loss to

the claimant. However, the Award **may** include attorney’s fees and court costs.

REVOCATION OF LICENSE

- When a payment involving a contractor is made from the Fund, in most cases, the contractor’s license is automatically revoked. Any contractor whose license is revoked shall not be eligible to apply for a license as a contractor until the contractor has repaid in full the amount paid from the Fund on his account, plus interest. The Board for Contractors may also take further disciplinary action against the contractor.

SOURCE OF FUNDING

- The Contractor Transaction Recovery Fund is **NOT** supported by tax revenues. All administrative costs and claims are funded with assessments paid by contractors licensed by the Commonwealth of Virginia.

HOW TO FILE A CLAIM

- When the consumer takes any legal action against a licensee, the Clerk of Court should be notified that the Board for Contractors must also receive a copy of the notice served on the licensee. An affidavit stating the acts of improper or dishonest conduct of the contractor should be included with the notice given to the Board.
- After the consumer has obtained a judgment from a court, an attempt **must be made** to collect from the contractor by conducting debtor interrogatories. This action determines whether the contractor has any assets which can be sold or

applied in satisfaction of the judgment. If any assets are revealed by the interrogatories, the consumer must provide evidence that all legally available actions have been taken to sell the assets and disclose amounts realized from such actions.

- A Contractor Transaction Recovery Act claim form must be filed with the Department of Professional and Occupational Regulation within **twelve (12) months** after the judgment became final. Please attach a copy of the judgment order, copies of all pleadings filed by either party (if any), a copy of the contract, and evidence of the conducting of debtor interrogatories, which should include the front and back of the summons for interrogatories.
- To obtain more information or to request a claim form, contact us at:

Department of Professional and
Occupational Regulation
Contractor Transaction Recovery Fund
9960 Mayland Drive, Suite 400
Richmond, VA 23233-1485
(8:15 A.M. – 5:00 P.M., Monday – Friday)
Phone: (804) 367-1559
E-mail: recoveryfund@dpor.virginia.gov
Website: www.dpor.virginia.gov

The information contained within is not binding on the Department;
for the actual provisions refer to
§§ 54.1-2112 to 54.1-2120 of the *Code of Virginia*.

9/09 (Rev. 10/8/09)

Department of Professional and
Occupational Regulation
9960 Mayland Drive, Suite 400
Richmond, VA 23233-1485
Cost Code # 602



VIRGINIA CONTRACTOR TRANSACTION RECOVERY FUND COMMONWEALTH OF VIRGINIA

Department of Professional and
Occupational Regulation